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Trustee survey paints grim budget picture for public universities

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About 80 percent of the governing boards of public universities say they are dealing with state budget cuts this year, according to a new survey conducted by the Association of Governing Boards of Universities and Colleges.

Trustees also said they are working extra hours to cope with the financial strains on their universities, and have enacted or are considering hiring freezes, across-the-board budget cuts, layoffs, or postponement of campus construction projects.

The association surveyed trustees in February and is releasing the results today in a [report](#), "Public Institution and University System Financial Conditions Survey." Governing boards of 90 public universities and university systems in 46 states and Puerto Rico responded. A similar survey of private-college governing boards is being developed.

Even before the recession, shrinking state coffers were causing budget woes for 42 percent of the boards surveyed, with trustees reporting an average reduction in state contributions of 6.4 percent in the fiscal year that ended last June. And trustees were grim in their assessment of the future, with 73 percent predicting state budget cuts next year. Almost a third said they would face state reductions of 10 percent or more.

The recession has harmed private giving, the survey found, with 18 percent of boards reporting a delayed fund-raising campaign, and 22 percent saying they were extending a current campaign.

Trustees were mixed in their views of whether federal stimulus money would help avert the budget problems on campuses.

"At best, the stimulus funds will forestall cuts," one trustee wrote in response to the survey. "Reductions appear to be inevitable for future fiscal years."

While public-university boards are clearly facing big challenges, the survey's results have a heartening aspect, said Richard Novak, executive director of the association's Richard T. Ingram Center for Public Trusteeship and Governance.

He said the results show that trustees are taking the crisis seriously and are being strategic in their solutions. For example, 18 percent of boards said they had formed special ad hoc committees to cope with the fast-changing economic landscape.

"People seem, paradoxically, to have more resolve" about this economic downturn than the less-severe ones of recent decades, Mr. Novak said. "This is what trusteeship is all about."

Following are some of the survey's key findings:

- There is much uncertainty about the recession's impact on tuition rates. Although 40 percent of boards said they were increasing tuition, by an average of 6.65 percent, about half of boards said they were unsure about what tuition increases would actually occur.
- Steps university leaders have taken or are considering to cope with budget shortfalls include hiring freezes or restrictions (80 percent), postponed capital spending (48 percent), across-the-board budget cuts (41 percent), layoffs of part-time faculty members (22 percent), reductions in academic programs (21 percent), and enrollment caps (6 percent).
- Not surprisingly, public colleges and universities are likely to see student-enrollment increases. Thirty-three percent of trustees reported increased enrollment projections for this spring, and 40 percent are projecting increases in the fall.
- More than half of boards (52 percent) said their institutions were increasing financial-aid offerings, in some cases to offset tuition increases.
- Boards are getting creative in dealing with financial challenges by forming new committees of economic experts, restructuring curricula, and adding renewable-energy systems.